

Superseded 5/12/2015

16-6a-1302 Authorized distributions.

- (1) A nonprofit corporation may:
 - (a) make distributions or distribute the nonprofit corporation's assets to a member:
 - (i) that is a domestic or foreign nonprofit corporation;
 - (ii) of a mutual benefit corporation, not inconsistent with its bylaws; or
 - (iii) that is a governmental entity;
 - (b) pay compensation in a reasonable amount to its members, directors, or officers for services rendered;
 - (c) if a cooperative nonprofit corporation, make distributions consistent with its purposes; and
 - (d) confer benefits upon its members in conformity with its purposes.
- (2) A nonprofit corporation may make distributions upon dissolution as follows:
 - (a) to a member that is a domestic or foreign nonprofit corporation;
 - (b) to its members if it is a mutual benefit corporation;
 - (c) to another nonprofit corporation, including a nonprofit corporation organized to receive the assets of and function in place of the dissolved nonprofit corporation; and
 - (d) otherwise in conformity to this chapter.
- (3) A mutual benefit corporation may purchase a member's membership in conformity with Section 16-6a-610 if, after the purchase is completed:
 - (a) the mutual benefit corporation would be able to pay its debts as they become due in the usual course of its activities; and
 - (b) the mutual benefit corporation's total assets would at least equal the sum of its total liabilities.
- (4) Authorized distributions by a dissolved nonprofit corporation may be made by authorized officers or directors, including those elected, hired, or otherwise selected after dissolution if the election, hiring, or other selection after dissolution is not inconsistent with the articles of incorporation and bylaws existing at the time of dissolution.